

DEPARTMENT OF THE TREASURY

Statement of Regulatory Priorities

The primary mission of the Department of the Treasury is to maintain a strong economy and create economic and job opportunities by promoting the conditions that enable economic growth and stability at home and abroad, strengthen national security by combatting threats and protecting the integrity of the financial system, and manage the U.S. Government's finances and resources effectively.

Consistent with this mission, regulations of the Department and its constituent bureaus are promulgated to interpret and implement the laws as enacted by Congress and signed by the President. It is the policy of the Department to comply with applicable requirements to issue a Notice of Proposed Rulemaking and carefully consider public comments before adopting a final rule. Also, the Department invites interested parties to submit views on rulemaking projects while a proposed rule is being developed.

To the extent permitted by law, it is the policy of the Department to adhere to the regulatory philosophy and principles set forth in Executive Orders 12866, 13563, and 13609 and to develop regulations that maximize aggregate net benefits to society while minimizing the economic and paperwork burdens imposed on persons and businesses subject to those regulations.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

The Alcohol and Tobacco Tax and Trade Bureau (TTB) issues regulations to implement and enforce Federal laws relating to alcohol, tobacco, firearms, and ammunition excise taxes and certain non-tax laws relating to alcohol. TTB's mission and regulations are designed to:

- (1) Collect the taxes on alcohol, tobacco products, firearms, and ammunition;
- (2) Protect the consumer by ensuring the integrity of alcohol products;
- (3) Ensure only qualified businesses enter the alcohol and tobacco industries; and
- (4) Prevent unfair and unlawful market activity for alcohol and tobacco products.

In FY 2022, TTB will continue its multi-year Regulations Modernization effort by prioritizing projects that reduce regulatory burdens, streamline and simplify requirements, and improve service to regulated businesses. Specifically, TTB plans to publish deregulatory rules that will reduce the amount of

information industry members must submit to TTB in connection with permit and similar applications to engage in regulated businesses, and reduce the types of operational activities that require prior approval. TTB expects these proposals to ultimately reduce the amount of operational information industry members must submit to TTB and provide for the piloting of a combined tax return and simplified operations report, reducing the overall number of reports industry members must submit. These measures are expected to reduce burden on industry member and provide them greater flexibility, and make starting new businesses easier and faster for new industry members.

TTB will also prioritize rulemaking to amend its regulations to reflect statutory changes pursuant to the Taxpayer Certainty and Disaster Tax Act of 2020, which made permanent most of the Craft Beverage Modernization and Tax Reform provisions of the Tax Cuts and Jobs Act of 2017. These legislative changes include reduced tax rates for beer and distilled spirits and tax credits for wine, among other provisions that had previously been provided on a temporary basis, as well as new provisions on the types of activities that qualify for reduced tax rates for distilled spirits and on permissible transfers of bottled distilled spirits in bond. Additionally, as a result of this legislation, and as addressed in a June 2021 Report to Congress on Administration of Craft Beverage Modernization Act Refund Claims for Imported Alcohol, TTB will also prioritize rulemaking to implement and administer refund claims for imported alcohol.

Additional priority projects include rulemaking to authorize new container sizes (standards of fill) for wine and responding to industry member petitions to authorize new wine treating materials and processes, new grape varietal names for use on labels of wine, and new American Viticultural Areas (AVAs).

This fiscal year TTB plans to prioritize the following measures:

- ***Streamlining and Modernizing the Permit Application Process (RINs: 1513–AC46, 1513–AC47, and 1513–AC48, Modernization of Permit and Registration Application Requirements for Distilled Spirits Plants, Permit Applications for Wineries, and Qualification Requirements for Brewers, respectively.***

In FY 2017, TTB engaged in a review of its regulations to identify any regulatory requirements that could potentially be eliminated, modified, or streamlined to reduce burdens on industry related to application and qualification requirements. Since that time, TTB has removed a number of requirements, particularly with regard to the information that is required to be submitted on TTB permit-related forms. In FY 2022, TTB intends to propose amending its regulations to further streamline the qualification and application requirements for new and existing businesses, including distilled spirits plants, wineries, and breweries.

- ***Streamlining of Tax Return and Report Requirements (RIN: 1513–AC68).***

In FY 2022, TTB intends to propose for notice and comment regulatory amendments to substantially streamline current requirements pertaining to tax returns and operational reports and reducing the amount of information and the number of reports submitted. This measure will also include updates to return and report requirements to improve overall tax oversight and enforcement.

- ***Modernizing the Alcohol Beverage Labeling and Advertising Requirements (RIN: 1513–AC66, Modernization of the Labeling and Advertising Regulations for Distilled Spirits and Malt Beverage, and RIN: 1513–AC67, Modernization of Wine Labeling and Advertising Regulations).***

The Federal Alcohol Administration Act requires that alcohol beverages introduced in interstate commerce have a label approved under regulations prescribed by the Secretary of the Treasury. TTB conducted an analysis of its alcohol beverage labeling regulations to identify any that might be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with that analysis. These regulations were also reviewed to assess their applicability to the modern alcohol beverage marketplace. As a result of this review, in FY 2019, TTB proposed revisions to the regulations concerning the labeling requirements for wine, distilled spirits, and malt beverages. TTB anticipated that these regulatory changes would assist industry in voluntary compliance, decrease industry burden, and result in the regulated industries being able to bring products to market without undue delay. TTB received over 1,100 comments in response to the notice, which included suggestions for further revisions. In FY 2020, TTB published in the Federal Register (85 FR 18704) a final rule amending its regulations to make permanent certain of the proposed liberalizing and clarifying changes,

and to provide certainty with regard to certain other proposals that commenters generally opposed and that TTB did not intend to adopt. In FY 2022, TTB intends to address remaining aspects of this rulemaking initiative, including incorporating a proposed reorganization of the regulatory provisions intended to make the regulations easier to read and understand, for which industry members expressed support.

- ***Implementation of the Craft Beverage Modernization Act (RIN: 1513–AC87, Implementing the Craft Beverage Modernization Act Permanent Provisions, and RIN: 1513–AC89, Administering the Craft Beverage Modernization Act Refund Claims for Imported Alcohol).***

TTB is amending its regulations for beer, wine, and distilled spirits, including those related to administration of import claims, to implement changes made to the Internal Revenue Code by the Taxpayer Certainty and Disaster Act of 2020, which made permanent most of the Craft Beverage Modernization and Tax Reform (CBMA) provisions of the Tax Cuts and Jobs Act of 2017. The CBMA provisions reduced excise taxes on all beverage alcohol producers, large and small, foreign and domestic. In 2020, these tax cuts were made permanent. The 2020 provisions also transferred responsibility for administering certain CBMA provisions for imported alcohol from U.S. Customs and Border Protection (CBP) to the Treasury Department after December 31, 2022. Importers will be required to pay the full tax rate at entry and submit refund claims to Treasury. Treasury intends for TTB to administer these claims.

- ***Authorizing the Use of Additional Wine Treating Materials and Soliciting Comments on Proposed Changes to the Limits on the Use of Wine Treating Materials to Reflect “Good Manufacturing Practice” (RIN: 1513–AB61 and 1513–AC75).***

In FY 2017, TTB proposed to amend its regulations pertaining to the production of wine to authorize additional treatments that may be applied to wine and to juice from which wine is made. These proposed amendments were made in response to requests from wine industry members to authorize certain wine treating materials and processes not currently authorized by TTB regulations. Although TTB may administratively approve such treatments, such administrative approval does not guarantee acceptance in foreign markets of any wine so treated. Under certain international agreements, wine made with wine treating materials is not subject to certain restrictions if the authorization to use the

treating materials is implemented through public notice; thus, rulemaking facilitates the acceptance of exported wine made using those treatments in foreign markets. In FY 2018, TTB reopened the comment period for the notice in response to industry member requests and, after consideration of the comments, TTB intends in FY 2022 to issue a final rule on those proposals. In FY 2022, TTB also intends to propose for public comment additional changes to the regulations governing wine treating materials, in response to a petition to more broadly amend the regulations to allow more wine treating materials to be used within the limitations of “good manufacturing practice” rather than within specified numerical limits.

- ***Addition of New Standards of Fill for Wine (RIN: 1513–AC86)***

TTB plans to publish a proposal to amend the regulations governing wine containers to add additional authorized standards of fill in response to requests it has received for such standards, and to be consistent with a Side Letter included as part of a U.S.–Japan Trade Agreement that addresses issues related to market access and, specifically, to alcohol beverage standards of fill. TTB will also propose a technical amendment to add equivalent standard United States measures to the wine labeling regulations for recently approved wine standards of fill and for the additional sizes proposed in this notice.

- ***Addition of Singani to the Standards of Identity for Distilled Spirits (RIN: 1513–AC61).***

On August 25, 2021, TTB published a proposal (86 FR 47429) to amend the regulations that set forth the standards of identity for distilled spirits to include Singani as a type of brandy that is a distinctive product of Bolivia. This proposal follows a joint petition submitted by the Plurinational State of Bolivia and Singani 63, Inc., and subsequent discussions with the Office of the United States Trade Representative. TTB solicited comments on this proposal, including comments on its proposal to authorize a minimum bottling proof of 35 percent alcohol by volume (or 70° proof) for Singani. TTB expects to publish a final rule in FY22.

- ***Proposal to Amend the Regulations to Add New Grape Variety Names for American Wines (RIN: 1513–AC24).***

In FY 2017, TTB proposed to amend its wine labeling regulations by adding a number of new names to the list of grape variety names approved for use in designating American wines. The proposed deregulatory amendments would allow wine bottlers to use these additional approved grape variety names on wine labels and in wine advertisements in the U.S. and international markets. In 2018, TTB

reopened the comment period for the notice in response to requests. TTB was unable to complete this project in FY 2020 because of redirected efforts to address COVID-19 guidance, and TTB now intends to issue a final rule in FY 2022.

OFFICE OF THE COMPTROLLER OF THE CURRENCY

The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises all national banks and Federal savings associations (FSAs). The agency also supervises the Federal branches and agencies of foreign banks. The OCC's mission is to ensure that national banks and FSAs operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

Regulatory priorities for fiscal year 2022 are described below.

- ***Amendments to Bank Secrecy Act Compliance Program Rule (12 CFR part 21).***

The OCC, the Board of Governors of the Federal Reserve System (FRB), and the Federal Deposit Insurance Corporation (FDIC) plan to issue a notice of proposed rulemaking amending their respective Bank Secrecy Act Compliance Program Rules.

- ***Basel III Revisions (12 CFR part 3).***

The OCC, the FRB, and the FDIC plan to issue a notice of proposed rulemaking that would comprehensively revise the agencies' risk-based capital rules, including revisions to the current standardized and advanced approaches capital rules.

- ***Capital Requirements for Market Risk; Fundamental Review of the Trading Book (12 CFR part 3).***

The OCC, the FRB, and the FDIC plan to issue a notice of proposed rulemaking to revise their respective capital requirements for market risk, which are generally applied to banking organizations with substantial trading activity. The banking agencies expect the proposal to be generally consistent with the standards set forth in the Fundamental Review of the Trading Book published by the Basel Committee on Bank Supervision.

- ***Community Reinvestment Act Regulations (12 CFR parts 25 and 195).***

The OCC plans to issue a proposal to replace the current Community Reinvestment Act (CRA)

rule with revised rules largely based on the 1995 CRA regulations.

- ***Community Reinvestment Act Regulations (12 CFR part 25).***

Along with the Federal Deposit Insurance Agency and the Board of Governors of the Federal Reserve, the OCC plans to issue a joint rule to modernize the Community Reinvestment Act regulations.

- ***Computer-Security Incident Notification (12 CFR part 53).***

The OCC, FRB, and FDIC plan to issue a final rule that would require a banking organization to notify its primary federal regulator of significant computer-security incidents on a timely basis. The rule would also require a bank service provider to promptly notify banking organization customers of certain significant computer-security incidents. The notice of proposed rulemaking was published on January 12, 2021 (86 FR 2299).

- ***Exemptions to Suspicious Activity Report Requirements (12 CFR parts 21 and 163).***

The OCC plans to issue a final rule to modify the requirements for national banks and Federal savings associations to file Suspicious Activity Reports. The rule would amend the OCC's Suspicious Activity Report regulations to allow the OCC to issue exemptions from the requirements of those regulations. The rule would make it possible for the OCC to grant relief to national banks or federal savings associations that develop innovative solutions to meet Bank Secrecy Act requirements more efficiently and effectively. The notice of proposed rulemaking was published on January 22, 2021 (86 FR 6572).

- ***Implementation of Emergency Capital Investment Program (12 CFR part 3).***

Section 104A of the Community Development Banking and Financial Institutions Act of 1994, which was added by the Consolidated Appropriations Act, 2021, authorizes the Secretary of the Treasury to establish the Emergency Capital Investment Program (ECIP) through which the Department of the Treasury (Treasury) can make capital investments in low- and moderate-income community financial institutions. The purpose of ECIP is to support the efforts of such financial institutions to, among other things, provide financial intermediary services for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities. In order to support and facilitate the timely implementation and acceptance of ECIP and promote its purpose, the OCC, FRB, and FDIC plan to issue a final rule that provides that preferred stock issued to Treasury under

ECIP qualifies as additional tier 1 capital and that subordinated debt issued to Treasury under ECIP qualifies as tier 2 capital under the agencies' capital rule. The interim final rule was published on March 22, 2021 (86 FR 15076).

- ***Rules of Practice and Procedure (12 CFR part 19).***

The OCC, FRB, and FDIC plan to issue a proposed rule to amend their rules of practice and procedure to reflect modern filing and communication methods and improve or clarify other procedures.

- ***Tax Allocation Agreements (12 CFR part 30).***

The OCC, FRB, and FDIC plan to issue a final rule requiring banks that file income taxes as part of a consolidated group to develop and maintain tax allocation agreements with other members of the consolidated group. The notice of proposed rulemaking was published on May 10, 2021 (86 FR 24755).

CUSTOMS REVENUE FUNCTIONS

The Homeland Security Act of 2002 (the Act) provides that, although many functions of the former United States Customs Service were transferred to the Department of Homeland Security, the Secretary of the Treasury retains sole legal authority over customs revenue functions. The Act also authorizes the Secretary of the Treasury to delegate any of the retained authority over customs revenue functions to the Secretary of Homeland Security. By Treasury Department Order No. 100-16, the Secretary of the Treasury delegated to the Secretary of Homeland Security authority to prescribe regulations pertaining to the customs revenue functions subject to certain exceptions, but further provided that the Secretary of the Treasury retained the sole authority to approve such regulations.

During fiscal year 2021, CBP and Treasury plan to give priority to regulatory matters involving the customs revenue functions which streamline CBP procedures, protect the public, or are required by either statute or Executive Order. Examples of these efforts are described below.

- ***Investigation of Claims of Evasion of Antidumping and Countervailing Duties.***

Treasury and CBP plan to finalize interim regulations (81 FR 56477) which amended CBP regulations implementing section 421 of the Trade Facilitation and Trade Enforcement Act of 2015, which set forth procedures to investigate claims of evasion of antidumping and countervailing duty orders.

- ***Enforcement of Copyrights and the Digital Millennium Copyright Act.***

Treasury and CBP plan to finalize proposed amendments to the CBP regulations pertaining to importations of merchandise that violate or are suspected of violating the copyright laws, including the Digital Millennium Copyright Act (DMCA), in accordance with Title III of the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) and Executive Order 13785, “Establishing Enhanced Collection and Enforcement of Anti-dumping and Countervailing Duties and Violations of Trade and Customs Laws.” The proposed amendments are intended to enhance CBP’s enforcement efforts against increasingly sophisticated piratical goods, clarify the definition of piracy, simplify the detention process relative to goods suspected of violating the copyright laws, and prescribe new regulations enforcing the DMCA.

- ***Inter Partes Proceedings Concerning Exclusion Orders Based on Unfair Practices in Import Trade.***

Treasury and CBP plan to publish a proposal to amend its regulations with respect to administrative rulings related to the importation of articles in light of exclusion orders issued by the United States International Trade Commission (“Commission”) under section 337 of the Tariff Act of 1930, as amended. The proposed amendments seek to promote the speed, accuracy, and transparency of such rulings through the creation of an inter partes proceeding to replace the current ex parte process.

- ***Merchandise Produced by Convict or Forced Labor or Indentured Labor under Penal Sanctions.***

Treasury and CBP plan to publish a proposed rule to update, modernize, and streamline the process for enforcing the prohibition in 19 U.S.C. 1307 against the importation of merchandise that has been mined, produced, or manufactured, wholly or in part, in any foreign country by convict labor, forced labor, or indentured labor under penal sanctions. The proposed rule would generally bring the forced labor regulations and detention procedures into alignment with other statutes, regulations, and procedures that apply to the enforcement of restrictions against other types of prohibited merchandise.

- ***Non-Preferential Origin Determinations for Merchandise Imported From Canada or Mexico for Implementation of the Agreement Between the United States of America, the United Mexican States, and Canada (USMCA).***

Treasury and CBP plan to finalize a proposed rule to harmonize non-preferential origin determinations for merchandise imported from Canada or Mexico. Such determinations would be made

using certain tariff-based rules of origin to determine when a good imported from Canada or Mexico has been substantially transformed resulting in an article with a new name, character, or use. Once finalized, the rule is intended to reduce administrative burdens and inconsistency for non-preferential origin determinations for merchandise imported from Canada or Mexico for purposes of the implementation of the USMCA.

FINANCIAL CRIMES ENFORCEMENT NETWORK

As administrator of the Bank Secrecy Act (BSA), the Financial Crimes Enforcement Network (FinCEN) is responsible for developing and implementing regulations that are the core of the Department's anti-money laundering (AML) and countering the financing of terrorism (CFT) efforts. FinCEN's responsibilities and objectives are linked to, and flow from, that role. In fulfilling this role, FinCEN seeks to enhance U.S. national security by making the financial system increasingly resistant to abuse by money launderers, terrorists and their financial supporters, and other perpetrators of crime.

The Secretary of the Treasury, through FinCEN, is authorized by the BSA to issue regulations requiring financial institutions to file reports and keep records that are highly useful in criminal, tax, or regulatory investigations, risk assessments, or proceedings, or intelligence or counter-intelligence activities, including analysis, to protect against terrorism. The BSA also authorizes FinCEN to require that designated financial institutions establish AML/CFT programs and compliance procedures. To implement and realize its mission, FinCEN has established regulatory objectives and priorities to safeguard the financial system from the abuses of financial crime, including terrorist financing, proliferation financing, money laundering, and other illicit activity.

These objectives and priorities include: (1) issuing, interpreting, and enforcing compliance with regulations implementing the BSA; (2) supporting, working with, and as appropriate overseeing compliance examination functions delegated by FinCEN to other Federal regulators; (3) managing the collection, processing, storage, and dissemination of data related to the BSA; (4) maintaining a government-wide access service to that same data for authorized users with a range of interests; (5) conducting analysis in support of policymakers, law enforcement, regulatory and intelligence agencies, and (for compliance purposes) the financial sector; and (6) coordinating with and collaborating on

AML/CFT initiatives with domestic law enforcement and intelligence agencies, as well as foreign financial intelligence units.

FinCEN's regulatory priorities for fiscal year 2022 include:

- ***Section 6110. BSA Application to Dealers in Antiquities and Assessment of BSA Application to Dealers in Art.***

On September 24, 2021, FinCEN issued an Advance Notice of Proposed Rulemaking (ANPRM) in order to implement Section 6110 of the Anti-Money Laundering Act of 2020 (the AML Act). This section amends the BSA (31 U.S.C. 5312(a)(2)) to include as a financial institution a person engaged in the trade of antiquities, including an advisor, consultant, or any other person who engages as a business in the solicitation or the sale of antiquities, subject to regulations prescribed by the Secretary of the Treasury. The section further requires the Secretary of the Treasury to issue proposed rules to implement the amendment within 360 days of enactment of the AML Act.

- ***Reports of Foreign Financial Accounts Civil Penalties (Technical Change).***

FinCEN is amending 31 CFR 1010.820 to withdraw the reports of foreign financial accounts (FBAR) civil monetary penalties language at 31 CFR 1010.820(g), which was made obsolete with the enactment of the American Jobs Creation Act of 2004. The American Jobs Creation Act of 2004 amended 31 U.S.C. 5321(a)(5) to allow for a greater maximum penalty for a willful violation of 31 U.S.C. 5314 than was previously authorized.

- ***Clarification of the requirement to collect, retain, and transmit information on transactions involving convertible virtual currency and digital assets with legal tender status.***

The Board of Governors of the Federal Reserve System and FinCEN (collectively, the "Agencies") intend to issue a revised proposal to clarify the meaning of "money" as used in the rules implementing the BSA requiring financial institutions to collect, retain, and transmit information on certain funds transfers and transmittals of funds. The Agencies intend that the revised proposal will ensure that the rules apply to domestic and cross-border transactions involving convertible virtual currency, which is a medium of exchange (such as cryptocurrency) that either has an equivalent value as currency, or acts as a substitute for currency, but lacks legal tender status. The Agencies further intend that the revised

proposal will clarify that these rules apply to domestic and cross-border transactions involving digital assets that have legal tender status.

- ***Real Estate Transaction Reports and Records.***

FinCEN will issue an Advanced Notice of Proposed Rulemaking (ANPRM) to seek guidance on a future rulemaking that would require certain legal entities involved in real estate transactions to submit reports and keep records. Specifically, the ANPRM will seek comment to assist FinCEN in preparing a proposed rule that would potentially impose nationwide recordkeeping and reporting requirements on financial institutions and nonfinancial trades and businesses participating in purchases of real estate by certain legal entities that are not financed by a loan, mortgage, or other similar instrument. ***Section 6212. Pilot Program on Sharing Information Related to Suspicious Activity Reports (SARs) Within a Financial Group.***

FinCEN intends to issue a Notice of Proposed Rulemaking (NPRM) in order to implement Section 6212 the AML Act. This section amends the BSA (31 U.S.C. 5318(g)) to establish a pilot program that permits financial institutions to SAR information with their foreign branches, subsidiaries, and affiliates for the purpose of combating illicit finance risks. The section further requires the Secretary of the Treasury to issue rules to implement the amendment within one year of enactment of the AML Act.

- ***Section 6101. Establishment of National Exam and Supervision Priorities.***

FinCEN intends to issue a NPRM to implement Section 6101 the AML Act. That section, among other things, amends section 5318(h) to title 31 of the United States Code to: (1) require financial institutions to establish CFT programs in addition to AML programs; (2) require FinCEN to establish national AML/CFT Priorities and, as appropriate, promulgate implementing regulations within 180 days of the issuance of those priorities; and (3) provide that the duty to establish, maintain, and enforce a BSA AML/CFT program remains the responsibility of, and must be performed by, persons in the United States who are accessible to, and subject to oversight and supervision by, the Secretary of the Treasury and the appropriate Federal functional regulator. Additionally, FinCEN intends to propose other changes, including regulatory amendments to establish that all financial institutions subject to an AML/CFT program

requirement must maintain an effective and reasonably designed AML/CFT program, and that such a program must include a risk assessment process.

- ***Sec. 6305. No Action Letter Program.***

FinCEN will issue an ANPRM following the implementation of Section 6305 of the AML Act. This section required FinCEN to conduct an assessment on whether to issue no-action letters in response to specific conduct requests from third parties, and propose rulemaking if appropriate. The assessment concluded that FinCEN should issue no-action letters, subject to sufficient resources, and proposed rulemaking to follow the issuance of the report. The ANPRM will seek guidance on the contours of a FinCEN no-action letter process, and, if necessary and appropriate, may be followed by a NPRM establishing regulations to govern the process. The ANPRM will also solicit feedback on FinCEN's current forms of regulatory guidance and relief.

- ***Voluntary Information Sharing Among Financial Institutions Under Section 314(b) of the USA PATRIOT Act.***

FinCEN is considering issuing this rule to strengthen the administration of the regulation implementing the statutory safe harbor that allows eligible financial institutions and associations of financial institutions to voluntarily share information regarding activities that may involve terrorist acts or money laundering.

- ***Sec. 6314. Updating Whistleblower Incentives and Protection.***

FinCEN intends to issue a NPRM relating to Section 6314 of the AML Act. Section 6314 of AML Act amends Section 5323 of title 31, United States Code. Section 6314, enacted on January 1, 2021, established a whistleblower program that requires FinCEN to pay an award, under regulations prescribed by FinCEN and subject to certain limitations, to eligible whistleblowers who voluntarily provide FinCEN or the Department of Justice (DOJ) with original information about a violation of the Bank Secrecy Act that leads to the successful enforcement of a covered judicial or administrative action, or related action, and requires that FinCEN preserve the confidentiality of a whistleblower.

Additionally, section 6314 of the AML Act repealed 31 U.S.C. 5328, the previous whistleblower protection provision, and replaced it with a new subsection to 31 U.S.C. 5323: subsection (g) "Protection of Whistleblowers." The new subsection (g) prohibits retaliation by employers against individuals that

provide FinCEN or the DOJ with information about potential Bank Secrecy Act violations; any individual alleging retaliation may seek relief by filing a complaint with the Department of Labor.

- ***Section 6403. Corporate Transparency Act.***

On April 5, 2021, FinCEN issued an ANPRM entitled “Beneficial Ownership Information Reporting Requirements,” relating to the Corporate Transparency Act (Sections 6401-6403 of the AML Act), and intends to issue a NPRM. Section 6403 of the AML Act amends the BSA by adding new Section 5336 to title 31 of the United States Code. New Section 5336 requires FinCEN to issue rules requiring: (i) reporting companies to submit certain information about the individuals who are beneficial owners of those entities and the individuals who formed or registered those entities; (ii) establishing a mechanism for issuing FinCEN identifiers to entities and individuals that request them; (iii) requiring FinCEN to maintain the information in a confidential, secure, non-public database; and (iv) authorizing FinCEN to disclose the information to certain government agencies and financial institutions for purposes specified in the legislation and subject to protocols to protect the confidentiality of the information. Section 5336 requires that the first of these requirements, notably the beneficial ownership information reporting regulation for legal entities (the “reporting regulation”), be published in final form by January 1, 2022. The ANPRM solicited comments on a wide range of questions having to do with the possible shape of the reporting regulation, as well as questions that concern the interaction of the requirements of this regulation and the shape and functionality of the database that will be populated with the information reported under Section 5336.

- ***Orders Imposing Additional Reporting and Recordkeeping Requirements (Technical Change).***

On November 15, 2021, FinCEN issued a final rule to update the regulation set forth at 31 CFR 1010.370 to reflect amendments to the underlying statute, 31 U.S.C. 5326, concerning the authority of FinCEN to issue orders imposing additional reporting and recordkeeping requirements on financial institutions and nonfinancial trades or businesses in a geographic area.

- ***Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets.***

FinCEN is proposing to amend the regulations implementing the BSA to require banks and money service businesses to submit reports, keep records, and verify the identity of customers in relation to transactions involving convertible virtual currency (CVC) or digital assets with legal tender status ("legal tender digital assets" or "LTDA") held in unhosted wallets, or held in wallets hosted in a jurisdiction identified by FinCEN.

- ***Report of Foreign Bank and Financial Accounts.***

FinCEN is proposing to amend the regulations implementing the BSA regarding reports of foreign financial accounts (FBARs). The proposed changes are intended to clarify which persons will be required to file reports of foreign financial accounts and what information is reportable. The proposed changes are intended to amend two provisions of the FBAR regulation: 1) signature or other authority; and 2) special rules. Treasury is considering whether the relevant statutory objectives can be achieved at a lower cost.

- ***Withdraw Obsolete Civil Money Penalty Provisions for BSA Violations. (Technical Change)***

FinCEN is amending 31 CFR 1010.820 to withdraw the civil money penalty provisions for BSA violations that are obsolete. Statutory amendments have been made to specific civil BSA penalties since the regulation was last revised. In addition, the Federal Civil Penalties Inflation Adjustment Act of 1990 as amended, 28 U.S.C. 2461 note, requires agencies to issue regulations making annual adjustments reflecting the effect of inflation for civil penalties expressed in terms of a dollar amount. Those inflation adjustments are correctly captured in a separate regulation, and therefore the obsolete and inconsistent provisions will be withdrawn.

- ***Amendments to the Definitions of Broker or Dealer in Securities.***

FinCEN is finalizing amendments to the regulatory definitions of "broker or dealer in securities" under the regulations implementing the BSA. The changes are intended to expand the current scope of the definitions to include funding portals. In addition, these amendments would require funding portals to implement policies and procedures reasonably designed to achieve compliance with all of the BSA requirements that are currently applicable to brokers or dealers in securities. The rule to require these organizations to comply with the BSA regulations is intended to help prevent money laundering, terrorist financing, and other financial crimes.

- ***Other Requirements.***

FinCEN also will continue to issue proposed and final rules pursuant to section 311 of the USA PATRIOT Act, as appropriate. Finally, FinCEN expects that it may propose various technical and other regulatory amendments in conjunction with ongoing efforts with respect to a comprehensive review of existing regulations to enhance regulatory efficiency required by Section 6216 of the AML Act.

BUREAU OF THE FISCAL SERVICE

The Bureau of the Fiscal Service (Fiscal Service) administers regulations pertaining to the Government's financial activities, including: (1) implementing Treasury's borrowing authority, including regulating the sale and issue of Treasury securities; (2) administering Government revenue and debt collection; (3) administering government-wide accounting programs; (4) managing certain Federal investments; (5) disbursing the majority of Government electronic and check payments; (6) assisting Federal agencies in reducing the number of improper payments; and (7) providing administrative and operational support to Federal agencies through franchise shared services.

During fiscal year 2022, Fiscal Service will accord priority to the following regulatory projects:

- ***Surety Companies Doing Business with the United States.***

Fiscal Service is proposing to amend its regulations governing surety companies doing business with the United States, found at 31 CFR part 223. When a federal law requires a person to post a bond through a surety, the person satisfies the requirement if the bond is underwritten by a company that is certified by Treasury to write federal bonds. Fiscal Service administers the regulations governing the issuance, renewal, and revocation of certificates of authority to surety companies to write or reinsure federal bonds. Fiscal Service proposes to amend its regulations governing how it values the assets and liabilities of sureties to keep pace with changes in regulation of the surety industry occurring at the state and international levels.

- ***Government Participation in the Automated Clearing House.***

The Fiscal Service is proposing to amend its regulation at 31 CFR Part 210 governing the government's participation in the Automated Clearing House (ACH). The proposed amendment would address changes to the National Automated Clearing House Association's (Nacha) private-sector ACH rules that have been adopted since those rules were last incorporated by reference in part 210. Among

other things, the amendment would address the increase in the Same-Day ACH transaction limit from \$100,000 per transaction to \$1,000,000 per transaction.

- ***Re-Write of DCIA Offset Regulations in 31 CFR Part 285 Subpart A.***

The Fiscal Service is proposing to amend its offset regulations currently codified in 31 CFR part 285 subpart A. These regulations govern how Fiscal Service administers the offset of federal and state payments to collect federal and state debt through the Treasury Offset Program. Through the amendment, Fiscal Service will re-write and reorganize the current regulations. The main purpose of the amendment will be to improve the clarity of the regulations. A second purpose will be to restore flexibility where previously-issued regulations may have unintentionally narrowed statutory authority.

INTERNAL REVENUE SERVICE

The Internal Revenue Service (IRS), working with the Office of Tax Policy, promulgates regulations that interpret and implement the Internal Revenue Code (Code), and other internal revenue laws of the United States. The purpose of these regulations is to carry out the tax policy determined by Congress in a fair, impartial, and reasonable manner, taking into account the intent of Congress, the realities of relevant transactions, the need for the Government to administer the rules and monitor compliance, and the overall integrity of the Federal tax system. The goal is to make the regulations practical and as clear and simple as possible, which reduces the burdens on taxpayers and the IRS.

During fiscal year 2022, the IRS and Treasury's Office of Tax Policy's priority is to continue providing guidance regarding implementation of key provisions of the American Rescue Plan Act of 2021, Public Law No. 117-2, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law No. 116-136, Public Law No. 115-97, known as the Tax Cuts and Jobs Act, as well as the Taxpayer First Act, Public Law No., 116-25, Division O of the Further Consolidated Appropriations Act, 2020-, and Public Law No. 116-94, known as the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act).

Every year, Treasury and the IRS identify guidance projects that are priorities for allocation of the resources during the year in the Priority Guidance Plan (PGP) (available on [irs.gov](https://www.irs.gov) and [regulations.gov](https://www.regulations.gov)). The plan represents projects that Treasury and the IRS intend to actively work on during the plan year.

See, for example, the 2021-2022 Priority Guidance Plan (September 9, 2021). To help facilitate and encourage suggestions, Treasury and the IRS have developed an annual process for soliciting public input for guidance projects. The annual solicitation is done through the issuance of a notice inviting recommendations from the public for items to be included on the PGP for the upcoming plan year. See, for example, Notice 2021-28 (April 14, 2021). We also invite the public to continue throughout the year to provide us with their comments and suggestions for guidance projects.

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